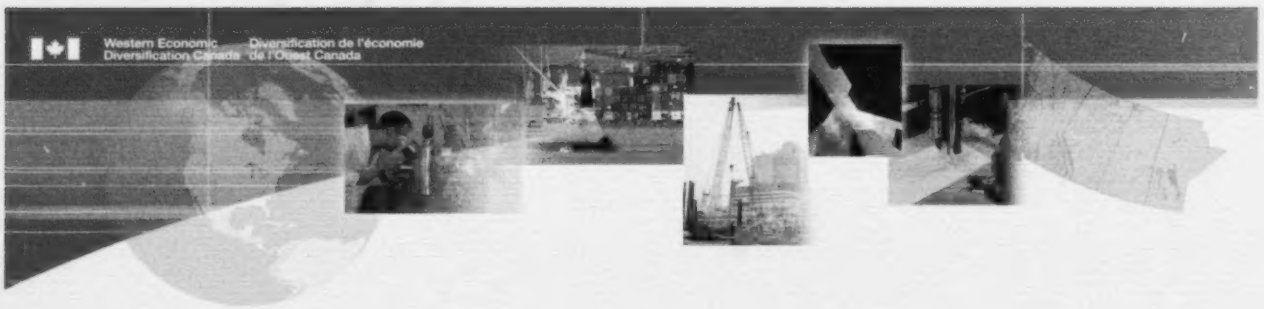

Western Economic Diversification Canada

2012–13

Departmental Performance Report

The Honourable Rona Ambrose, P.C., M.P.
Minister of Health

The Honourable Michelle Rempel, P.C., M.P.
Minister of State (Western Economic Diversification)

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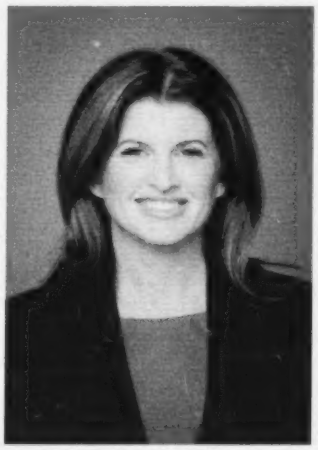
Minister's Message



As Minister responsible for Western Economic Diversification Canada (WD), I am pleased to present the department's *2012–13 Departmental Performance Report*.

Since its creation in 1987, WD has worked diligently to support a diverse and modern western Canadian economy, playing a vital role in strengthening the West. And this year has been no exception.

Over the last year, I am proud to say that WD achieved its goals in strengthening communities across the West while helping western businesses to be competitive and innovative. Through our support for improvements to community infrastructure, our strategic investments which promote business productivity and innovation, and our important role in facilitating business connections and showcasing western Canadian capabilities, we are building upon the strong foundation that Western Canada provides, and ensuring that this exceptional region continues to prosper.

Specifically, I know that Western Canadian businesses are strong, and well positioned to take advantage of sub-contracts under the built-in-Canada National Shipbuilding Procurement Strategy. We made the decision to build the Royal Canadian Navy's new ships right here in Canada. It will create 15,000 jobs across the country, and infuse $2 billion in annual economic benefit over the next 30 years. Under the Western Canadian Shipbuilding Action Plan, Western business are already benefitting.

WD continues to work strategically through partnerships—with all levels of government, industry associations, and not-for-profit organizations—to get results in creating jobs, growth and long-term prosperity for the West.

Minister of State's Message

As Minister of State for Western Economic Diversification, I am pleased to share with you the 2012–13 Departmental Performance Report.

For over 25 years, WD has been diligently working to deliver on its goal and mandate to provide long term economic competitiveness to the West and improve the quality of life of its citizens by accelerating innovation, helping businesses succeed and building stronger communities.

This past year has seen WD deliver our Government's Community Infrastructure Improvement Fund (CIIF), which has facilitated investments in communities across Western Canada. Through CIIF, we have contributed to much-needed upgrades that have helped to grow the local economy, created jobs, and left a legacy of lasting infrastructure.

I am proud to say that, in addition to strengthening communities, WD has continued to drive economic growth and prosperity through the delivery of our core programs. In the 2012–13 year, the Department worked diligently to support western Canadian industry by making strategic investments, including:

- Investments that support innovation and facilitate the commercialization of new technology in emerging sectors in the West;
- The continued promotion awareness of Western Canada to potential investors and working to facilitate connections between western businesses and international industry; and
- Investing in improvements to business productivity to create jobs and growth.

WD's strategic investments have been coupled with efforts to expand opportunities for private enterprises in the West. This includes WD organizing and leading eight supplier development tours to connect western Canadian businesses with prime contractors of federal defence procurement. The department also highlighted the West's capabilities at 12 aerospace and defence trade shows, and by hosting the Western Canadian Shipbuilding Summit, which brought together more than 600 stakeholders under the National Shipbuilding Procurement Strategy.

Moving forward, we remain committed to expanding opportunities to ensure our region's continued economic growth and prosperity. Together, we are showing the world that Canada's West Means Business.

Section I: Organizational Overview

Raison d'être

Western Economic Diversification Canada (WD) was established in 1987 to promote the development and diversification of the economy of Western Canada and to advance the interests of the West in national economic policy, program and project development and implementation.

As the federal economic development department for Western Canada, WD develops and supports economic policies, programs and activities that promote economic growth and assist Western Canada in responding to the economic challenges and opportunities it faces.

Our Vision

To be leaders in creating a more diversified western Canadian economy that has strong, competitive and innovative businesses and communities.

Responsibilities

WD's mandate, which is set out in the *Western Economic Diversification Act*, is to support the development and diversification of the western Canadian economy. This broad mandate allows the department to implement diverse programs and initiatives across the West to help western Canadians create strong, competitive and innovative businesses and communities.

With offices in each western province and its headquarters in Edmonton, WD provides a strong federal presence in the economic development of the West. Its western base has enabled the department to foster extensive partnerships with business and community organizations, research and academic institutions, as well as provincial and municipal governments across the West.

WD helps build on the West's traditional economic strengths while supporting the transition to a more diverse, modern economy.

WD works to convey western perspectives to national economic policy and program decision-makers, working within the federal system to ensure that western interests and perspectives are brought to bear in federal decision making.

WD delivers programs that strengthen the economy of Western Canada in the following areas:

- Business Development: WD helps small and medium-sized enterprises (SMEs) develop and grow, create jobs, expand their markets, increase their exports and become more innovative and productive. Each year, the more than 100 partners in WD's Western Canada Business Service Network (WCBSN)[1] provide thousands of western entrepreneurs with the information, training and capital they need to start and grow their businesses. In addition, WD supports SMEs to become more productive and engage in international business through other key project investments;

- Innovation: WD promotes the development and growth of the knowledge-based economy by building innovation capacity and supporting the commercialization of new knowledge-based products, processes and services. The department's investments help to provide the foundation for future economic diversification and growth; and

- Community Economic Development: WD helps rural and urban communities sustain their local economies, adjust to changing economic circumstances and invest in public infrastructure. The 90 Community Futures[2] organizations supported by WD in the West play a role in leading community economic development activities and initiatives to help rural communities compete in a changing global economy.

To ensure that its programs have the greatest impact on the West, WD focused its investments in priority areas–business productivity and growth, trade and investment and technology commercialization. In addition, the department continued to advance western interests in national economic policy, program and project development and implementation.

WD also delivers national initiatives on behalf of the Government of Canada in the West. These have included the Community Infrastructure Improvement Fund (CIIF) under Canada's Economic Action Plan (EAP), programming to upgrade and expand western Canadian infrastructure, as well as the Economic Development Initiative (part of the federal *Roadmap for Canada's Linguistic Duality 2008–13*) aimed at supporting businesses and economic development in western Canadian francophone communities. WD's flexibility and ability to implement programs such as these enables it to respond quickly to the priorities and needs of the federal government in the West.

Strategic Outcome and Program Alignment Architecture[3]

In 2012–13, WD supported the programs and sub-programs listed below to achieve its strategic outcome of developing and diversifying the western Canadian economy. These programs, comprising the department's Program Alignment Architecture (PAA), help ensure that Western Canada continues to make a strong contribution to Canada's economic success.

Strategic Outcome	Programs	Sub-Programs
The western Canadian economy is developed and diversified	**Business Development**	Improve Business Productivity
		Market and Trade Development
		Industry Collaboration
		Foreign Direct Investment
		Access to Capital
	Innovation	Technology Adoption and Commercialization
		Technology Linkages
		Technology Research and Development
		Community Innovation
		Technology Skills Development
		Knowledge Infrastructure
	Community Economic Development	Community Planning
		Community Development
		Community Economic Adjustment
		Community Infrastructure
	Policy, Advocacy and Coordination	Collaboration and Coordination
		Research and Analysis
		Advocacy
	Internal Services	Governance and Management Support
		Resource Management Services
		Asset Management Services

Organizational Priorities

In 2012–13, WD focused on the six priorities described below. These key areas of focus are at the core of the department's efforts to develop and diversify the western Canadian economy.

Summary of Progress Against Priorities

Priority	Type[4]	Program
Technology Commercialization	**On-going**	**Innovation**
Summary of Progress		
• 36.9% of WD's core grant and contribution (G&C) expenditures was related to technology commercialization (target was 37.5%). • WD supported nine new projects in this priority area, totaling $15.0M, which will facilitate technology commercialization in emerging sectors in Western Canada. This includes funding for the Li Ka Shing Applied Virology Institute at the University of Alberta,[5] the Centre for Soft Materials at Simon Fraser University,[6] the Bioscience Applied Research Centre at the Saskatchewan Institute of Applied Science and Technology[7] as well as AssentWorks[8] in Winnipeg. • Further to its announcement in the 2012 Federal Budget, WD developed the Western Innovation (WINN) Initiative to assist SMEs in the commercialization of new innovative products, processes and services for domestic and international markets, with a particular focus on creating market-ready technologies. When it is launched in 2013–14, WINN will ensure that the department's investments continue to support job creation and enable western businesses to be more productive and competitive in the global economy.		
Trade and Investment	**On-going**	**Business Development**
Summary of Progress		
• 8.3% of WD's core G&C expenditures was related to trade and investment (target was 6.0%). • WD supported 15 new projects in this priority area, totaling $9.4M, which will strengthen western Canadian engagement in international markets and global value chains, facilitate connections between western Canadian businesses and multinational aerospace companies and promote Western Canada as an investment destination. This includes funding for Ag-West Bio Inc.,[9] the Institute for Applied Poultry Technologies,[10] 2012 Abbotsford Aerospace & Defence Expo,[11] 2012 Farnborough International Airshow,[12] CentrePort Canada Inc.[13] and the Canadian Hydrogen and Fuel Cell Association.[14]		
Business Productivity and Growth	**On-going**	**Business Development**
Summary of Progress		
• 36.0% of WD's core G&C expenditures was related to business productivity and growth (target was 33.5%). • WD supported 14 new projects in this priority area, totaling $14.0M, directed at SMEs to create jobs, improve business processes, adopt best practices, create business networks and improve access to skilled labour. This includes funding for Parkland Regional College,[15] Portage College[16] and Camosun College.[17] • The WCBSN provided a total of 417,931 business information, advisory and training services to SMEs in rural and urban areas, as well as $84.98M in loans that leveraged an additional $124.83M. The impacts included: 6,391 jobs created or maintained through lending[18] and 2,221 jobs created or maintained through business services[19]; and 1,515 businesses created, maintained or expanded		

through lending and 1,114 businesses created, maintained or expanded through business services.		
Advancing the Interests of Western Canada	**New**	**Policy, Advocacy and Coordination**
Summary of Progress		
• To help advance and address the needs and interests of western Canadians, WD, through its newly implemented policy framework, identified key areas of focus to help guide policy engagement on key national priorities. • WD influenced national policy discussions at the most senior levels of government decision making, including engagement with caucus, and central agencies on emerging isssues such as the Government of Canada's response to the U.S. Federal Maritime Commission investigation. WD also engaged in various Deputy Minister-level committees. • WD strengthened business connections and facilitated networking across the shipbuilding industry through activities outlined in Western Canada's Shipbuilding Action Plan.[20] • WD facilitated business development opportunities and access to international markets by leveraging Canada's Industrial and Regional Benefits policy to respond to 18 supplier development requests and to conduct eight supplier development tours and events on behalf of international aerospace and defence firms. • WD identified opportunities for economic growth or diversification by representing western interests on all Major Crown Procurements and participating in 12 aerospace and defence-related tradeshows and events.		
Performance Measurement	**On-going**	**All programs**
Summary of Progress		
• The department's PAA and Performance Measurement Framework (PMF) were streamlined, reducing the number of programs from five to four, reducing the number of sub-programs from 20 to 13 and reducing the number of performance indicators from 106 to 35. • Employee training was initiated in March 2013 on the changes to the department's PAA and PMF, as well as the changes to the departmental systems, in order to enhance performance data capture, measurement, reporting and the use of performance results in decision making.		
Managing in a Changing Environment	**New**	**All programs**
Summary of Progress		
• WD implemented an investment strategy and reviewed operating resources to ensure that WD has allocated resources to areas that have the greatest impact on the western Canadian economy. • The Deputy Minister led a staff engagement process to develop a vision for WD 2015 that focused on improving the workplace, employee development and improving programs and services. • WD began the consolidation of its accounting operations to the Saskatoon office and its procurement functions to the Edmonton office. The department also adopted a lifecycle approach to managing its Gs&Cs projects; this involves having the same staff member assigned to a project from conception to completion, ensuring better continuity in developing and monitoring funded projects. • WD managed the transition to a new operating model for information management and technology (IMT) by signing a memorandum of understanding with Shared Services Canada and initiating the re-alignment of remaining IMT resources. • WD collaborated with other Regional Development Agencies (RDAs) on common systems and tools for G&C programs to improve efficiency and service to clients. Examples include: hosting Canada Economic Development for Regions of Quebec's CIIF application form on the WD server; and facilitating other RDAs' testing of the Client Relationship Management (CRM) software		

system through WD's test environment.

- In response to the 2011 Public Service Employee Survey, WD identified departmental actions and activity leads and outlined milestones to assess progress against those actions.

Risk Analysis

Risk Summary Table (with a focus on external risks)

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
Low rate of investment in research and development (R&D) and adoption of technologies by SMEs	• Supported nine new Technology Adoption & Commercialization projects totaling $15.0M • Development of the WINN Initiative	• Innovation	• Technology Commercialization
Declining competitiveness and slow productivity growth of SMEs	• Supported 14 new Improve Business Productivity projects totalling $14.0M	• Business Development	• Business Productivity and Growth
Small domestic market and increasing global competition	• Supported 15 new Market and Trade Development projects totaling $9.4M	• Business Development	• Trade and Investment
Not achieving satisfactory client focused delivery results with the launch of the new WINN Initiative	• Development and adoption of Client Relationship Management software to manage a higher expected volume of applications and clients • Enhance internal processes and train staff appropriately	• Innovation	• Technology Commercialization • Trade and Investment
WD and other federal government policy and programs do not reflect the needs of western Canadians	• Support research that assists in the development of relevant policy options • Collaborate with key internal and external stakeholders	• Policy, Advocacy and Coordination	• Advancing the Interests of Western Canada

Organizational Context for Risks

The risks and mitigation strategies outlined in the table above are consistent with those outlined in the 2012–13 Report on Plans and Priorities, as well as WD's Corporate Risk Profile and mitigation plan.

The economic challenges or risks facing Western Canada—low rates of R&D, declining competitiveness, slow productivity growth, a small domestic market and increasing global

competition—have been long-standing. By pursuing new investments (described in this Departmental Performance Report (DPR)) in the priority areas of technology commercialization, business productivity and growth, as well as trade and investment, WD will help to diversify and grow the western Canadian economy.

WD's programs and approaches continue to evolve to meet client needs and expectations. The development in 2012–13 and introduction in 2013–14 of the WINN Initiative will more directly help SMEs to commercialize and market their technologies. WINN will involve working directly with a new client base, managing repayable contributions and an increased volume of applicants. Given that this is a new initiative for WD, the department is taking steps to ensure that it achieves satisfactory client focused delivery results. This includes the development and adoption of CRM software to manage a high volume of applications and clients, as well as enhanced internal processes and training for staff.

An important part of WD's mandate is to advocate for Western Canada in the development of national policies and programs. As part of its Policy, Advocacy and Collaboration activities, WD has developed a policy framework to guide departmental policy engagement on key national policy priorities. The department works to ensure that western Canadian interests are considered by central agencies and other government departments.

Summary of Performance

Financial Resources – Total Departmental ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference (Planned vs. Actual Spending)
176,307	176,307	199,762	183,718	(7,411)

Note: Planned Spending varies from Total Authorities due to timing difference between appropriation approvals versus Budget 2012 announcements for the Community Infrastructure Improvement Fund (CIIF). Actual Spending varies from Planned as a result of time required in responding to new expenditure targets in the WD Investment Strategy, as well as a transfer of funds to Infrastructure Canada.

Human Resources (Full-Time Equivalents—FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
408	368	40

Note: The difference between planned and actual FTEs for 2012–13 is attributed to greater efficiencies in program delivery and administration.

Performance Summary Table for Strategic Outcome and Programs ($ thousands) – Excluding Internal Services

Strategic Outcome: The western Canadian economy is developed and diversified

Program	Total Budgetary Expenditures (Main Estimates 2012–13)	Planned Spending			Total Authorities (available for use) 2012–13	Actual Spending (authorities used)			Alignment to Government of Canada Outcomes
		2012–13	2013–14	2014–15		2012–13[21]	2011–12	2010–11	
Business Development	63,019	63,019	47,980	46,440	65,620	57,741	53,745	48,160	Strong Economic Growth
Innovation	62,259	62,259	45,248	42,867	57,902	59,830	66,545	77,102	An Innovative and Knowledge-Based Economy
Community Economic Development	20,832	20,832	57,605	34,419	43,220	35,377	39,889	304,492	Strong Economic Growth
Policy, Advocacy and Coordination	8,190	8,190	8,613	8,741	8,897	8,539	7,631	8,658	Strong Economic Growth
Strategic Outcome Sub-Total	154,300	154,300	159,446	132,467	175,639	161,487	167,810	438,412	

Note: Actual Spending under Community Economic Development (CED) is greater than Planned Spending amounts for 2012–13 by $14.5 million primarily due to increased spending for the CIIF, which was offset by a decrease in spending related to a funding transfer to Infrastructure Canada. Planned Spending under CED increases from 2012–13 to 2013–14 as a result of increased spending for the CIIF, as well as realignment of project spending under the new Program Alignment Architecture (PAA) for 2013–14. The variance in Actual Spending from 2010–11 to 2011–12 is due to the wind down of funding for the Community Adjustment Fund (CAF) and Recreational Infrastructure Canada (RInC) initiatives.

Performance Summary Table for Internal Services ($ thousands)

Internal Services	Total Budgetary Expenditures (Main Estimates 2012–13)	Planned Spending			Total Authorities (available for use) 2012–13	Actual Spending (authorities used)		
		2012–13	2013–14	2014–15		2012–13	2011–12	2010–11
	22,007	22,007	20,755	17,737	24,123	22,231	27,473	28,079
Sub-Total	**22,007**	**22,007**	**20,755**	**17,737**	**24,123**	**22,231**	**27,473**	**28,079**

Total Performance Summary Table ($ thousands)

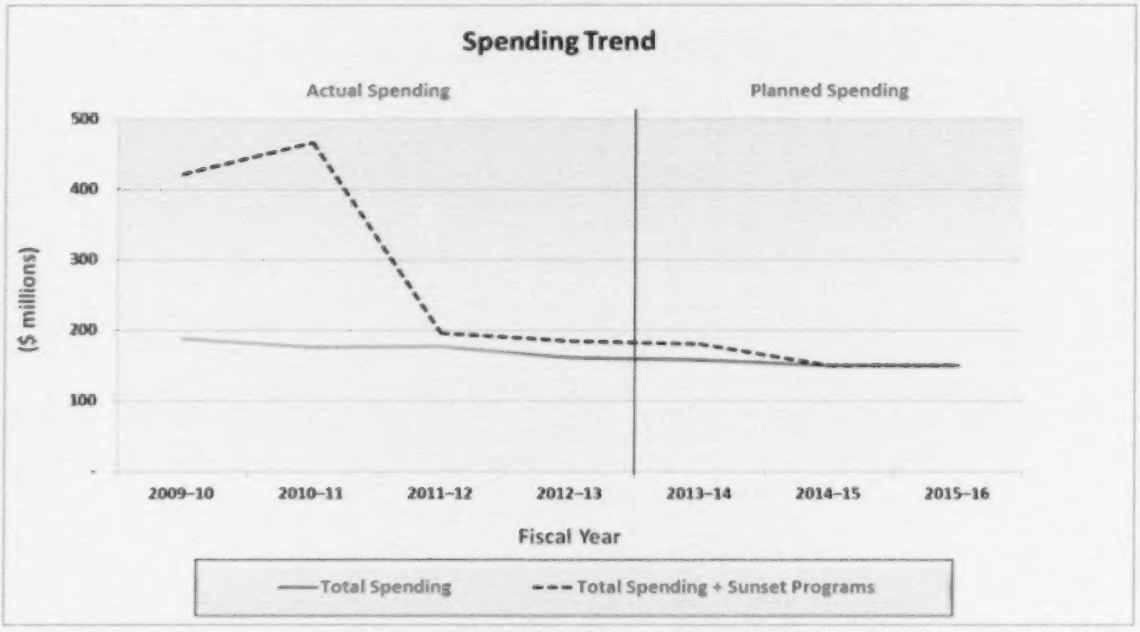
Strategic Outcome and Internal Services	Total Budgetary Expenditures (Main Estimates 2012–13)	Planned Spending			Total Authorities (available for use) 2012–13	Actual Spending (authorities used)		
		2012–13	2013–14	2014–15		2012–13	2011–12	2010–11
	176,307	176,307	180,201	150,204	199,762	183,718	195,283	466,491
Total	**176,307**	**176,307**	**180,201**	**150,204**	**199,762**	**183,718**	**195,283**	**466,491**

Total Authorities of $199.8 million for 2012–13 were greater than planned spending of $176.3 million by $23.5 million, as new funding was received through Supplementary Estimates. This consisted of $23.1 million for the CIIF; $3.4 million from collections of repayable contributions; $2.5 million for severance pay, parental leave benefits and leave payout; $2.2 million for operating budget carry forward; $1.5 million for the International Policy Program at the University of Calgary; and $0.6 million for various other minor adjustments. This was offset by reduced appropriations of $9.8 million.

Actual Spending for 2012–13 is lower than Total Authorities, due to a $6.0 million surplus from the Western Diversification Program; a $4.9 million surplus in WD operating expenditures (Vote 1); and a $5.1 million transfer from 2012–13 to meet commitment requirements in future years, including $4.3 million for the CIIF.

Expenditure Profile

Departmental Spending Trend



WD's actual spending, including sunset programs, for 2012–13 was $183.7 million. Compared with actual spending of $195.3 million in 2011–12, this represents a decrease of six percent, or $11.6 million. The difference between total spending in 2012–13 and 2011–12 is due to a decrease of $6.7 million in operating expenditures and $4.9 million in grants and contributions (Gs&Cs). The net decrease in Gs&Cs is due in part to the completion of programs and is explained in more detail as follows:

- An increase of $18.8 million under the CIIF;
- A decrease of $12.4 million under the EAP for the Recreational Infrastructure Canada initiative;
- A decrease of $8.4 million under WD's core programs related to reduced appropriations; and
- A decrease of approximately $2.9 million resulting from normal program fluctuation.

The figures presented in the above chart do not include funds spent through Other Government Department (OGD) suspense accounts on behalf of other federal departments. For example, in fiscal year 2012–13, WD expended approximately $77.9 million on behalf of Infrastructure Canada under the Building Canada Fund, Municipal Rural Infrastructure Fund and the Canada Strategic Infrastructure Fund.

Estimates by Vote

For information on WD's organizational Votes and/or statutory expenditures, please see the *Public Accounts of Canada 2013 (Volume II)*.[22] An electronic version of the Public Accounts 2013 is available on the Public Works and Government Services Canada's Web site.

Contribution to the Federal Sustainable Development Strategy

The Federal Sustainable Development Strategy (FSDS) outlines the Government of Canada's commitment to improving the transparency of environmental decision making by articulating its key strategic environmental goals and targets. WD ensures that consideration of these outcomes is an integral part of its decision-making processes. WD contributes to the following FSDS themes as denoted by the visual identifiers and associated programs below:

i) Program 2: Innovation:

Theme I
Addressing Climate Change and Air Quality

Theme II
Maintaining Water Quality and Availability

ii) Program 5: Internal Services:

Theme IV
Shrinking the Environmental Footprint - Beginning with Government

For further information on WD's activities to support sustainable development and strategic environmental assessment, please visit the departmental Web site. For complete information on the FSDS, please visit the Environment Canada Web site.[23]

Section II: Analysis of Programs and Sub-Programs by Strategic Outcome

Strategic Outcome: The western Canadian economy is developed and diversified

Western Economic Diversification Canada (WD) works to develop and diversify the western Canadian economy, helping to build businesses that are innovative and competitive globally, while diversifying the base of the western Canadian economy beyond primary resource industries.

WD's strategic outcome is advanced through the following programs:

- **Business Development**: Strong small and medium-sized enterprises (SMEs) in Western Canada with improved capacity to remain competitive in the global marketplace;
- **Innovation**: A strong knowledge-based economy;
- **Community Economic Development (CED)**: Communities have increased economic opportunities and capacity to respond to economic challenges, as well as the necessary investments in public infrastructure;
- **Policy, Advocacy and Coordination (PAC)**: Policies and programs that strengthen the western Canadian economy; and
- **Internal Services**: Effective and efficient support for advancing the department's strategic outcome.

WD utilizes a number of economic indicators to gauge the competiveness, growth and diversity of the western Canadian economy. The table below outlines Western Canada's performance across four economic indicators over the past four years. Canada's performance in these indicators is included as a benchmark.

Performance Indicators		Target for 2012	2009	2010	2011	2012 (Preliminary)
Real Gross Domestic Product (GDP) growth	Canada	-	-2.9%	3.4%	2.5%	1.7%
	West	3.0%	-3.6%	3.7%	4.1%	2.9%
Labour productivity growth (change in real GDP per hour worked)	Canada	-	1.2%	0.8%	0.4%	0.1%
	West	1.5%	1.2%	1.5%	1.3%	-0.2%
Primary production as a percentage of GDP	Canada	-	9.1%	9.5%	9.8%	9.6%
	West	14.3%	19.2%	19.4%	19.7%	19.5%
Gross Domestic Expenditures on Research & Development (R&D) as percentage of GDP	Canada	-	1.9%	1.8%	1.7%	Data not yet available
	West	1.0%	1.3%	1.2%	Data not yet available	

The results show strong economic growth in Western Canada for a third consecutive year following the downturn in 2009. Over the past three years, growth in Western Canada's real GDP clearly exceeded that of Canada, although in 2012, Canada's labour productivity growth exceeded that of Western Canada. In 2012, real GDP growth in Western Canada was 2.9 percent. However, this level of real GDP growth in the West did not help contribute to an increase in labour productivity, as the increase in real GDP rose less than the number of hours worked.

Primary production as a percentage of GDP remained stable in Western Canada at 19.5 percent between 2011 and 2012, which is consistent with years prior to the recessionary period between 2008 and 2009. (This indicator is intended to gauge Western Canada's diversification away from the resource industries. The lower the percentage, the less dependent the economy will be on resource industries as a source of wealth.)

Further, gross domestic expenditures on R&D as a percentage of GDP provides an indication of support of the knowledge-based economy, which leads to diversification of the economy. In Western Canada, this indicator has been stable.

Program: Business Development

Program Description

This program works with western Canadian businesses, industry and research organizations to undertake initiatives to enhance business productivity and competitiveness; support trade and investment attraction and penetration of western Canadian technologies, services and value-added products into international markets. Value-added production will be strengthened through support for initiatives in priority sectors to introduce new products, technologies or innovations to existing production and processes. Access to risk capital and business services for entrepreneurs and small business will also be improved through programs and services offered in conjunction with other business services organizations and associations.

Financial Resources – For Program Level ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference (Planned vs. Actual Spending)
63,019	63,019	65,620	57,741	5,278

Human Resources (Full-Time Equivalents—FTEs) – For Program Level

Planned 2012–13	Actual 2012–13	Difference 2012–13
80	53	27

Note: The number of planned FTEs in the 2012–13 Report on Plans and Priorities (RPP) was based on extrapolated historic trends which is at variance with the actual utilization. WD will review and adjust planned FTEs for future RPPs. The 53 actual FTEs in this area has increased from the 52 actual FTEs reported in the 2011–12 Departmental Performance Report (DPR).

Performance Results – For Program Level

Expected Result	Performance Indicators	Targets	Actual Results
Strong SMEs in Western Canada with improved capacity to remain competitive in the global marketplace	SME employment (excluding non-employee)	2.6M	2.6M (2012)
	Annual international trade: value of exports excluding primary production sectors	$44.0B	$59.1B (2012)

Business Development Performance Analysis and Lessons Learned

WD tracks SME revenue and employment levels, as well as annual international trade (excluding primary production) as indicators of SMEs' capacity to remain competitive in the global marketplace. Economic growth in Western Canada outpaced the national average in 2012, and Western Canada's economy met expectations for SME employment and exceeded expectations for annual international trade. SME employment grew to over 2.6 million. The value of Western Canada's annual international trade in non-resource based sectors showed strong growth in 2012; the value of exports excluding primary production sectors increased to $59.1 billion, a 34.3 percent increase over the previous year. While WD's programs contribute to these results, there are many other economic factors that influence these results, most notably global demand and prices for Western commodities.

WD conducted an evaluation of the Women's Enterprise Initiative during 2012–13, which concluded that the initiative continues to fill an important programming gap in business support services for female entrepreneurs. Clients reported improved business practices and business survival. The number of self-employed women in Western Canada has increased 27 percent since the program's inception in 1995. The department is developing a management action plan in response to recommendations made in the evaluation, which will be posted on WD's Web site.[24]

WD conducted an evaluation of its Trade and Investment activities during 2012–13, which concluded that the department's activities in this area overall have been successful in supporting SME participation in trade shows and in market exploration, promoting western Canadian capabilities to potential foreign buyers or investors and building international partnerships and networks. The evaluation offered a number of suggestions for improvement, including: streamlining project approval and funding disbursement processes; clarifying and communicating the support available and eligibility criteria; improving internal governance structures; enhancing collaboration with industry and federal, provincial and regional authorities; being more proactive in seeking out partnerships and projects; providing support to SMEs directly; and aligning programming with other Regional Development Agencies to create a level playing field across the country. The department is developing a management action plan in response to recommendations made in the evaluation, which will be posted on WD's Web site.[25]

Sub-Programs related to Business Development:

Descriptions of the following Business Development sub-programs can be found on WD's Web site:[26]

- **Improve Business Productivity**
- **Market and Trade Development**
- **Industry Collaboration**
- **Foreign Direct Investment**
- **Access to Capital**

Financial Resources – For Sub-Program Level ($ thousands)

Sub-Program	Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
Improve Business Productivity	34,418	33,214	1,204
Market and Trade Development	12,361	9,577	2,784
Industry Collaboration	685	100	585
Foreign Direct Investment	1,483	647	836
Access to Capital	14,072	14,203	(131)
Total	**63,019**	**57,741**	**5,278**

Human Resources (FTEs) – For Sub-Program Level

Sub-Program	Planned 2012–13	Actual 2012–13	Difference 2012–13
Improve Business Productivity	Planning for FTEs occurred at the program level for 2012–13 and 2013–14.	34	Not Applicable
Market and Trade Development		11	
Industry Collaboration		-	
Foreign Direct Investment		3	
Access to Capital		5	
Total	**80**	**53**	**27**

Note: The number of planned FTEs in the 2012–13 Report on Plans and Priorities (RPP) was based on extrapolated historic trends which is at variance with the actual utilization. WD will review and adjust planned FTEs for future RPPs. The 53 actual FTEs in this area increased from the 52 actual FTEs reported in the 2011–12 Departmental Performance Report.

Performance Results – For Sub-Program Level

Sub-Program	Expected Results	Performance Indicators	Targets	Actual Results
Improve Business Productivity	Increase in SME competitiveness and productivity	% client satisfaction with the business services provided through the funded project	82%	97%
		# jobs created or maintained	4606	4104
		# businesses created/maintained/expanded	2200	2094
		# clients trained	21,974	25,869
Market and Trade Development	Increased participation in international markets	# industry association partnerships created	13	73
		# of companies participating in export and market development initiatives	448	1539
		# projects promoting participation in major international events	26	33
Industry Collaboration	Increase in number of successful partnerships and strategic alliances	# partnerships/strategic alliances	No reported outcomes anticipated	4
Foreign Direct Investment	Increase in foreign investment in Western Canada	$ in direct investment facilitated by WD	$5,380,835	$6,000,000
Access to Capital	Increased investment to targeted western Canadian firms	# of jobs created/maintained	5177.0	6417.5
		# of businesses created/ maintained/expanded	1307	1483
		$s capital funds provided	$70,485,244	$78,926,644
		$s leveraged	$69,720,024	$124,589,593

Performance Analysis and Lessons Learned from Sub-Programs Related to Business Development

WD sets targets annually for all performance indicators at the sub-program level in the departmental PMF and tracks progress against targets based primarily upon the results that G&C

projects report during the fiscal year. WD met or exceeded targets for 10 of the 12 business development-related performance indicators for which reported outcomes were anticipated (see Performance Results table above). In addition, results were reported against a 13th indicator, for which no activities or outcomes were anticipated (Industry Collaboration – number of partnerships/strategic alliances).

WD identified two key indicators specifically related to the department's business productivity and growth priority—number of businesses created, maintained or expanded and dollar value of capital funds provided—and two key indicators for the trade and investment priority—number of companies participating in export and market development initiatives and value of direct investment facilitated by WD. The results at year end in these key areas exceeded targets (see Performance Results table above). Overall, variances (plus or minus) are largely due to the multi-year nature of funded projects that sometimes report results earlier or later than expected, the reliance on funded organizations to report results, as well as a low volume of projects where individual variances can impact overall results significantly.

Successfully completed projects include the following:

- **FP Innovations**—engaged more than 50 First Nation communities across British Columbia (BC) to devise plans for commercializing local timber resources (BC Region, Improve Business Productivity);
- **Portage College**—purchased equipment to support a Heavy Equipment Operator Program (Alberta (AB) Region, Improve Business Productivity);
- **Saskatchewan Trade & Export Partnership Inc.**—provided exporter readiness services to Saskatchewan companies interested in exporting. (Saskatchewan (SK) Region, Market and Trade Development); and
- **Canadian Malting Barley Technical Centre**—supported an advanced malting and brewing laboratory and testing centre (Manitoba (MB) Region, Market and Trade Development).

For further details regarding the impact of the completed projects listed above, please refer to the WD Success Stories[27] on the department's Web site.

Program: Innovation

Program Description

This program facilitates the West's transition to a knowledge-based economy. Through innovation, knowledge is translated into new products and services and to new ways of designing, producing or marketing existing products or services for public and private markets. This recognizes that innovation occurs at the firm level, through a highly complex interdependent system that includes elements such as knowledge infrastructure, basic and applied R&D, highly qualified personnel, access to adequate patient financing, technology commercialization facilities and support systems and mechanisms to link these elements to each other. The process of innovation is not linear or isolated but occurs within a broader context

known as an "innovation system". This will strengthen the western innovation system in order to facilitate the development of clusters and to enhance the potential of innovation to create value and wealth.

Financial Resources – For Program Level ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference (Planned vs. Actual Spending)
62,259	62,259	57,902	59,830	2,429

Human Resources (FTEs) – For Program Level

Planned 2012–13	Actual 2012–13	Difference 2012–13
62	36	26

Note: The number of planned FTEs in the 2012–13 RPP was based on extrapolated historic trends which is at variance with the actual utilization. WD will review and adjust planned FTEs for future RPPs. The 36 actual FTEs is the same as the number of FTEs reported in the 2011–12 DPR.

Performance Results – For Program Level

Expected Result	Performance Indicators	Targets	Actual Results
A stronger knowledge-based economy	Total income from the commercialization of intellectual property	$21.8M	Data source no longer available
	Business Expenditures on Research and Development (BERD) as a percentage of GDP	0.59%	0.53% (2010)
	Employment in natural and applied science and related occupations as a percentage of total employment	6.50%	6.83% (2012)

Innovation Performance Analysis and Lessons Learned

WD tracks Western Canada's progress in innovation through high-level indicators such as western Canadian university income from the commercialization of intellectual property, BERD and employment in natural and applied science. Income from commercialization of intellectual property in Western Canada is no longer available through Statistics Canada, which has discontinued the *Survey of Intellectual Property Commercialization in the Higher Education Sector*[28] as of 2009. BERD as a percentage of GDP has remained stable from the baseline year of 2004 through 2010 at approximately 0.5 percent, which is low compared to Canada as a whole (1.0 percent). Canada's rate is low compared to international competitors.

Following an evaluation of the Innovation Program, WD reported in the 2011–12 DPR that, based on the evaluation's recommendation, it would review the effectiveness and efficiency of program delivery. The department made progress during 2012–13 implementing an on-line application process for all Western Diversification Program applicants, better tracking of projects throughout the assessment process and streamlining the Program Alignment Architecture for 2013–14 to support effective program management. This evaluation can be found on WD's Web site.[29]

Sub-Programs related to Innovation:

Descriptions of the following Innovation sub-programs can be found on WD's Web site:[30]

- **Technology Adoption and Commercialization**
- **Technology Linkages**
- **Technology Research and Development**
- **Technology Skills Development**.
- **Community Innovation**
- **Knowledge Infrastructure**

Financial Resources - For Sub-Program Level ($ thousands)

Sub-Program	Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
Technology Adoption and Commercialization	38,437	44,728	(6,291)
Technology Linkages	5,026	5,018	8
Technology Research and Development	7,274	4,208	3,066
Technology Skills Development	1,026	298	728
Community Innovation	1,328	65	1,263
Knowledge Infrastructure	9,168	5,513	3,655
Total	**62,259**	**59,830**	**2,429**

Human Resources (FTEs) – For Sub-Program Level

Sub-Program	Planned 2012–13	Actual 2012–13	Difference 2012–13
Technology Adoption and Commercialization	Planning for FTEs occurred at the program level for	25	Not Applicable

Sub-Program	Planned 2012–13	Actual 2012–13	Difference 2012–13
Technology Linkages	2012–13 and 2013–14.	2	
Technology Research and Development		1	
Technology Skills Development		2	
Community Innovation		-	
Knowledge Infrastructure		6	
Total	**62**	**36**	**26**

Note: The number of planned FTEs in the 2012–13 RPP was based on extrapolated historic trends which is at variance with the actual utilization. WD will review and adjust planned FTEs for future RPPs. The 36 actual FTEs is the same as the number of FTEs reported in the 2011–12 DPR.

Performance Results – For Sub-Program Level

Sub-Program	Expected Results	Performance Indicators	Targets	Actual Results
Technology Adoption and Commercialization	An increase in the number of technologies developed in research institutions that have commercialization potential and an increase in technologies adopted by existing firms.	# of patents filed/issued	24	8
		# of technology demonstrations	63	195
		# of technologies adopted	50	43
Technology Linkages	Increased connections and synergies among innovation system members.	# of partnerships/networks formed	14	4
		# of attendees at funded conferences	1473	1242
		# of new or incremental members of innovation associations	6	26
Technology Research and Development	Applied R&D leading to technologies with commercialization potential.	# of skilled personnel engaged in R&D through funded projects	25	6
		# of products or processes that are identified for further R&D	8	8
		# of demonstrations of viability of technology	5	5
Technology Skills Development	Increase in training, education and skills	# of training events (specific course, series of courses, "boot camp', etc.)	2	2

Sub-Program	Expected Results	Performance Indicators	Targets	Actual Results
	building of highly qualified people.	# of people trained through training events	251	263
Community Innovation	Increased technological capacity in a community.	$ invested in knowledge infrastructure or technology commercialization facilities	No reported outcomes anticipated	$1,000,000
Knowledge Infrastructure	Increase in physical assets for R&D or training.	# of square meters dedicated to R&D and skills training	2825	3970
		$ value of R&D undertaken for a 3-year period following completion of the new facility or equipment set-up	$5,034,746	$18,850,811
		#of incremental physical assets (buildings and equipment)	106	176

Performance Analysis and Lessons Learned from Sub-Programs Related to Innovation

WD sets targets annually for all performance indicators at the sub-program level in the departmental PMF and tracks progress against targets based primarily upon results that G&C projects report during the fiscal year. WD met or exceeded targets for nine of the 14 innovation-related performance indicators for which reported outcomes were anticipated (see Performance Results table above). In addition, results were reported against a 15th indicator, for which no reported outcomes were anticipated (Community Innovation – dollars invested in knowledge infrastructure or technology commercialization facilities).

WD identified two key indicators specifically related to the department's technology commercialization priority—number of patents filed or issued and number of technologies adopted. WD fell short of its targets set for these two indicators because of changes in project time lines, which resulted in either results being realized earlier (in 2011–12) or later than expected (in 2013–14) (see Performance Results table above). Overall, variances (plus or minus) are largely due to the multi-year nature of funded projects that sometimes report results earlier or later than expected, the reliance on funded organizations to report results, as well as a low volume of projects where individual variances can impact overall results significantly.

Successfully completed projects include:

- **Emily Carr University**—established the first western Stereoscopic 3D Centre of Excellence in digital media and film technologies (BC Region, Knowledge Infrastructure);
- **Alberta Centre for Advanced MNT Products**—acquired and installed specialized technology commercialization equipment to enable SMEs to develop technology and

commercialize new products (AB Region, Technology Adoption and Commercialization);

- **Canadian Light Source Inc.**—provided funding for additional equipment for Phase II Beamlines (SK Region, Knowledge Infrastructure); and
- **University of Manitoba**—developed a High Performance Computing Facility (MB Region, Technology Linkages).

For further details regarding the impact of the completed projects listed above, please refer to WD Success Stories[31] on the department's Web site.

Program: Community Economic Development

Program Description

This program involves economic development and diversification initiatives that support communities to sustain their economies and adjust to changing and challenging economic circumstances. It includes facilitating economic recovery from depressed economic circumstances. It ensures that economic, social and environmental considerations are taken into account in initiatives designed to foster community growth and economic development. It involves projects that assist communities to assess strengths, weaknesses, opportunities and potential for new economic activity and to develop and implement community plans. It also involves investments in community infrastructure, coordinated with provincial and municipal governments to maximize benefits. The process involves community-based consultations to ensure federal programs, services and horizontal initiatives serve the needs of western Canadian communities.

Financial Resources – For Program Level ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference (Planned vs. Actual Spending)
20,832	20,832	43,220	35,377	(14,545)

Note: Total Authorities include spending for the CIIF, which was not reflected in the Planned Spending amount.

Human Resources (FTEs) – For Program Level

Planned 2012–13	Actual 2012–13	Difference 2012–13
85	43	42

Note: The number of planned FTEs in the 2012–13 RPP was based on extrapolated historic trends which is at variance with the actual utilization. WD will review and adjust planned FTEs for future RPPs. The 43 actual FTEs in this area is down from the 54 actual FTEs reported in the 2011–12 DPR.

Performance Results – For Program Level

Expected Result	Performance Indicators	Targets	Actual Results
Communities have increased economic opportunities and capacity to respond to challenges, as well as the necessary investments in public infrastructure	Employment: number of new jobs created	18,500*	140,370 (2012)
	Percentage of key informants with the opinion that WD delivery of infrastructure programs resulted in investments that reflect western Canadian infrastructure priorities	50%	To be measured in 2013–14 through Infrastructure Canada-led evaluations of Municipal Rural Infrastructure Fund and Building Canada Fund -Communities Component.

*Note: The target for "Employment: Number of new jobs created" reflects a forecast of stable growth of 1.8 percent, which was based upon an average of the previous five years.

Community Economic Development Performance Analysis and Lessons Learned

In order to capture the impact of its CED activities, WD tracks job creation and the perceived relevance of its infrastructure programs, as indicators of increased economic opportunities and communities' capacity to respond to challenges. In 2012, Western Canada had a net job gain of 140,370, which was seven and one-half times higher than projected, reflecting the economic strength of the region. The survey of key informants regarding infrastructure programs will be conducted during 2013–14.

In terms of CED lessons learned, WD utilized Microsoft Client Relationship Management (CRM) software to manage the intake of over 2800 Community Infrastructure Improvement Fund (CIIF) on-line applications and to track the progress of each application through the assessment process, as updates were required daily. CRM proved to be an invaluable tool and WD is exploring future applications to other program areas.

Sub-Programs related to Community Economic Development:

Descriptions of the following CED sub-programs can be found on WD's Web site:[32]

- **Community Planning**
- **Community Development**
- **Community Economic Adjustment**
- **Community Infrastructure**

Financial Resources - For Sub-Program Level ($ thousands)

Sub-Program	Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
Community Planning	7,651	6,484	1,167
Community Development	10,241	7,177	3,064
Community Economic	97	249	(152)

Sub-Program	Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
Adjustment			
Community Infrastructure	2,843	21,467*	(18,624)
Total	**20,832**	**35,377**	**(14,545)**

*Note: Actual Spending under Community Infrastructure includes spending for the CIIF, which was not reflected in Planned Spending amounts.

Human Resources (FTEs) – For Sub-Program Level

Sub-Program	Planned 2012–13	Actual 2012–13	Difference 2012–13
Community Planning	Planning for FTEs occurred at the program level for 2012–13 and 2013–14.	6	Not Applicable
Community Development		8	
Community Economic Adjustment		1	
Community Infrastructure		28	
Total	**85**	**43**	**42**

Note: The number of planned FTEs in the 2012–13 RPP was based on extrapolated historic trends which is at variance with the actual utilization. WD will review and adjust planned FTEs for future RPPs. The 43 actual FTEs is the same as the number of FTEs reported in the 2011–12 DPR.

Performance Results – For Sub-Program Level

Sub-Program	Expected Result	Performance Indicators	Targets	Actual Results
Community Planning	Enhanced Community Planning	# activities providing planning leadership and expertise	3044	3125
		# instances facilitating community involvement	1025	1192
		# partnerships developed/maintained	3292	3517
		# community planning exercises undertaken by Community Futures organizations	190	330
Community Development	Increased viability and diversification of local economies	# instances of increased capacity in community organizations	1140	1075
		# enhanced community services or facilities	421	669
		# people trained	14	804
		# instances of increased community stability	445	483

Sub-Program	Expected Result	Performance Indicators	Targets	Actual Results
Community Economic Adjustment	Successful community adjustment to mitigate economic crises	Not applicable for 2012-13*		
Community Infrastructure	To maximize economic, social, cultural and environmental benefits to western Canadians through investments in public infrastructure in a coordinated manner with provincial and municipal governments.	# new and improved local infrastructure elements	Not Applicable as the CIIF was not anticipated in the department's 2012–13 RPP	66
		# jobs created or maintained		No reported results
		Total infrastructure funding expended (federal, provincial, municipal, and private - as a proxy for local economic stimulus)		$17,018,059

*Note: No reported results for Community Economic Adjustment were anticipated during 2012–13 as this sub-program comprises short-term economic initiatives, implemented on an as needed basis only; the Community Adjustment Fund, which fell within this sub-program, was completed during 2011–12.

Performance Analysis and Lessons Learned from Sub-Programs Related to Community Economic Development

Fiscal Year Results

WD sets targets annually for all performance indicators at the sub-program level in the departmental PMF and tracks progress against targets based primarily upon results G&C projects report during the fiscal year. WD met or exceeded targets for seven of the eight CED-related performance indicators (including Economic Action Plan (EAP)-related projects) for which reported outcomes were anticipated (see Performance Results table above). For one of the indicators (number of people trained in the Community Development sub-program), the actual results achieved greatly exceed the target; this was primarily due to one project, which reported an additional 719 people trained in 2012–13.

An example of a successfully completed project is the construction of a public community aquarium by the **Ucluelet Aquarium Society** (BC Region, Community Development). In addition, the Westman Entrepreneurial Centre, a knowledge-based business incubator supported by **Community Futures Westman**, was able to recruit Evolve (a full service multi-disciplined acquisition company) to move to Brandon, Manitoba in September 2012. Evolve provides technology solutions used in the oil and gas sector in southwestern Manitoba, creating 12 new jobs in the region.

For further details regarding the impact of the completed projects listed above, please refer to the WD Success Stories[33] on the department's public Web site. Specific examples of Community Adjustment Fund, Recreational Infrastructure Canada Program, and CIIF projects that received WD funding through EAP may be found on the WD Media Centre[34] on the department's Web site.

Community Infrastructure Sub-Program

WD delivered four national infrastructure programs in the West: Municipal Rural Infrastructure Fund (MRIF), Canada Strategic Infrastructure Fund, BCF–Communities Component (BCF-CC) and BCF–Major Infrastructure Component. Under MRIF, 566 projects with a federal investment of $266.4 million were supported across Western Canada. Of this, 552 projects were completed as of the March 31, 2013 program deadline, with a federal investment of $264 million. To date, 278 projects have been approved under BCF-CC across the West with a federal investment of $339.4 million. With respect to the BCF-CC Top Up program, all 163 projects supported across the West were completed in 2011–12 with a federal investment of $137.5 million. WD fully closed out the program in 2012–13.

As funding for these programs is provided through Infrastructure Canada's (INFC) appropriation, details on the results may be found in INFC's DPR.

WD was allocated $46.2 million over two fiscal years (2012–13 and 2013–14) to deliver the CIIF in Western Canada. Announced in Budget 2012, the CIIF is a two-year national program that will invest $150 million to rehabilitate and improve existing community infrastructure across Canada. The CIIF was not anticipated in the department's RPP for 2012–13 and required the department to re-align resources to deliver this new initiative.

As of March 31, 2013, WD had approved 740 projects which committed all program funds. The CIIF provided WD with an opportunity to expand its role in supporting tourism initiatives, which was identified as a planning highlight in the RPP for 2012–13. Two examples of tourism-related projects approved in 2012–13 through the CIIF include renovations to Centre 2000,[35] a tourism and trade facility in Grande Prairie, Alberta, and the conversion of the Pemberton, BC train station[36] into a community, tourism and transportation hub.

Program: Policy, Advocacy and Coordination

Program Description

The *Western Economic Diversification Act*[37] (1988) empowers the Minister to advance the interests of Western Canada in national economic policy, program and project development and implementation, through the establishment of cooperative relationships with the western provinces and other stakeholders and through the initiation of policy research. Through this program, WD advocates for Western Canada in national policy discussions, resulting in effective strategies, policies and programs to address the economic development needs and aspirations of western Canadians. It also includes leading federal and intergovernmental collaboration to pursue key opportunities for long-term growth and diversification in areas of federal or shared federal-provincial jurisdiction. Finally, it includes undertaking research and analysis required to inform policy and program decisions.

Financial Resources – For Program Level ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference (Planned vs. Actual Spending)
8,190	8,190	8,897	8,539	(349)

Human Resources (FTEs) – For Program Level

Planned 2012–13	Actual 2012–13	Difference 2012–13
60	61	(1)

Performance Results – For Program Level

Expected Result	Performance Indicators	Targets	Actual Results
Policies and programs that strengthen the western Canadian economy	Percentage of key informants with the opinion that WD activities provide policies and programs that support the economic development of Western Canada	90%	To be measured in 2013–14
	Percentage of WD projects completed this fiscal year that successfully met or exceeded performance targets	85%	84%

Policy, Advocacy and Coordination Performance Analysis and Lessons Learned

The targets set for the PAC program were materially met, with the indicator related to the percentage of WD projects completed this fiscal year that successfully met or exceeded performance targets missing its target by only one percentage point.

WD continually refines and focuses its PAC program to meet the changing priorities of western Canadians. Through the department's policy framework, emerging issues and opportunities are quickly identified and acted on. For instance, WD worked with Department of Foreign Affairs, Trade and Development Canada to ensure WD's support for western Canadian ports was accurately reflected in the Government of Canada's response to the US Federal Maritime Commission investigation. This investigation examined the extent to which the US Harbor Maintenance Tax, other US policies and other factors may incentivize US-bound container cargo to shift from US seaports to those located in Canada and Mexico.

The Evaluation of the Western Economic Partnership Agreements[38] (WEPA) assessed the department's investments in WEPA projects implemented in each of the four provinces in Western Canada. The evaluation covered the term of the most recent WEPAs from 2008 to 2012. The evaluation concluded that the decision making process had some challenges, including the time required for project approvals, the complexity of the project approval process and the lack

of dedicated provincial funding in some provinces. The evaluation results contributed to WD's decision to not renew the WEPAs, but to continue to work closely with the provinces and industry to invest in initiatives that support communities, jobs and growth in the West.

Sub-Programs related to Policy, Advocacy and Coordination:

Descriptions of the following PAC sub-programs can be found on WD's Web site:[39]

- **Collaboration and Coordination**
- **Research and Analysis**
- **Advocacy**

Financial Resources – For Sub-Program Level ($ thousands)

Sub-Program	Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
Collaboration and Coordination	3,367	2,751	616
Research and Analysis	2,828	2,142	686
Advocacy	1,995	3,646	(1,651)
Total	**8,190**	**8,539**	**(349)**

Human Resources (FTEs) – For Sub-Program Level

Sub-Program	Planned 2012–13	Actual 2012–13	Difference 2012–13
Collaboration and Coordination	Planning for FTEs occurred at the program level for 2012–13 and 2013–14.	24	Not Applicable
Research and Analysis		11	
Advocacy		26	
Total	**60**	**61**	**(1)**

Performance Results – For Sub-Program Level

Sub-Program	Expected Results	Performance Indicators	Targets	Actual Results
Collaboration and Coordination	Better-coordinated economic development activities, policies and programs in the West	Dollars leveraged for projects funded per fiscal year from all WD programs ($ leveraged per WD $)	$2.00	$1.59
		$ value of project funding provided under interdepartmental agreements to which WD was a party	$12,900,000	$15,161,868
		% of key informants with the opinion that WD activities provide better coordinated economic activities.	90%	To be measured in 2013–14

Sub-Program	Expected Results	Performance Indicators	Targets	Actual Results
		policies and programs in the West		
Research and Analysis	Improved understanding of western Canadian economic issues, challenges, opportunities and priorities	% of key informants with the opinion that WD activities provide an improved understanding and awareness of western issues, challenges, opportunities and priorities	90%	To be measured in 2013–14
Advocacy	Decisions by other organizations that improve economic policies and programs in the West	% of key informants with the opinion that WD activities provide an improved understanding and awareness of western issues, challenges, opportunities and priorities	90%	To be measured in 2013–14
		% of key informants with the opinion that WD advocacy work results in federal policies and programs that reflect western Canadian needs	90%	To be measured in 2013–14
		% of key informants with the opinion that WD advocacy work results in improved awareness of industrial and regional benefits and/or federal procurement opportunities	75%	To be measured in 2013–14

Performance Analysis and Lessons Learned from Sub-Programs Related to Policy, Advocacy, and Coordination

Fiscal Year Results

WD sets targets annually for the performance indicators at the sub-program level in the departmental PMF. However, several of these targets (i.e., those requiring a departmental survey) are reported on, every five years, when a survey is conducted.

WD tracks progress annually against three indicators, one at the program level and two at the sub-program level (percentage of WD projects completed this fiscal year that successfully met or exceeded performance targets; dollars leveraged for projects funded per fiscal year from all WD programs; and dollar value of project funding provided under interdepartmental agreements to which WD was a party), which are meant to reflect the impact of WD's policy work on the G&C projects that the department supports. WD met or almost met targets for two of these three indicators, but fell short of its leverage target of $2.00 per WD dollar approved because of the lower leverage rates for a large research and analysis project ($1.00 leveraged per WD dollar approved) and for the CIIF ($1.45 leveraged per project on average per WD dollars approved). Together, these projects accounted for 60 percent of WD approved funding in 2012–13.

The RPP for 2012–13 identified the following as a planning highlight: "*Facilitating connections between western Canadian businesses and multinational aerospace, marine and defence*

companies that receive federal defence and security procurement contracts with IRB obligations." Pursuant to this planned activity, WD responded to 18 requests for supplier capabilities lists, identifying western Canadian SMEs that could meet the prime contractor requirements in anticipation of a bid; and organized eight supplier development tours and events to introduce prime contractors to western Canadian industry and academia.

One significant industry event hosted by WD was the Western Canada Shipbuilding Summit.[40] In May 2012, WD strengthened business connections and facilitated networking across the shipbuilding industry by attracting more than 600 industry stakeholders representing over 360 organizations to share information about business opportunities arising from the National Shipbuilding Procurement Strategy.

Program: Internal Services

Program Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services: Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services, Real Property Services; Material Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided specifically to a program.

Financial Resources – For Program Level ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference (Planned vs. Actual Spending)
22,007	22,007	24,123	22,231	(224)

Human Resources (FTEs) – For Program Level

Planned 2012–13	Actual 2012–13	Difference 2012–13
121	175	(54)

Note: The number of planned FTEs in the 2012–13 RPP was based on extrapolated historic trends which is at variance with the actual utilization. WD will review and adjust planned FTEs for future RPPs. The actual number of Internal Services FTEs fell from 199 in 2011–12 (as reported in the 2011–12 DPR) to 175 in 2012–13, representing a net decrease of 24 FTEs in this area.

(g) Performance Analysis and Lessons Learned

The Report on Plans and Priorities for 2012–13 identified as a planning highlight the need to introduce a new departmental values and ethics code. To prepare for the new Values and Ethics Code for the Public Sector, which came into effect on April 2, 2012, WD decided to build on the foundation of values and ethics articulated in the Public Sector Code and adapt them to WD needs. Consultations were held across the department to develop a WD-specific Code of Conduct that resonated with staff. The WD Code of Conduct incorporates the provisions of the public sector code and outlines WD values that underpin expected behaviour for every member of the department, regardless of level or role. Adhering to the WD Code of Conduct is now a condition of employment for WD employees.

WD is a participant in the Federal Sustainable Development Strategy (FSDS) and contributes to the Greening Government Operations targets through the Internal Services program. The department contributes to the following target areas of Theme IV (Shrinking the Environmental Footprint–Beginning with Government) of the FSDS: e-waste, printing unit reduction, paper consumption, green meetings and green procurement.

For additional details on WD's Greening Government Operations activities, please see the List of Supplementary Information Tables in Section III.

Section III: Supplementary Information

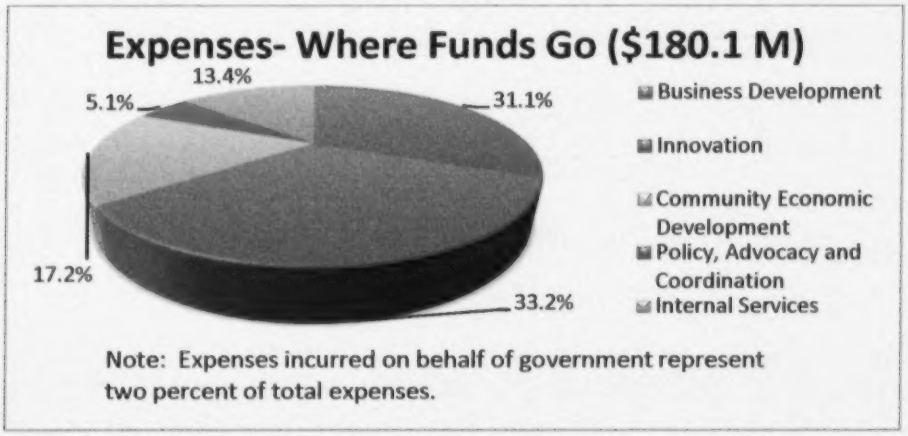
Financial Statement Highlights

The financial highlights presented within this Departmental Performance Report are intended to serve as a general overview of Western Economic Diversification Canada's (WD) financial position and operations. The unaudited financial statements are prepared in accordance with accrual accounting principles (link to complete financial statements can be found at the end of this section).

Condensed Statement of Operations and Departmental Net Financial Position

Western Economic Diversification Canada Condensed Statement of Operations and Departmental Net Financial Position (Unaudited) For the Year Ended March 31, 2013 ($ thousands)					
	2012–13 Planned Results*	2012–13 Actual	2011–12 Actual	$ Change (2012–13 Planned vs. Actual)	$ Change (2012–13 Actual vs. 2011–12 Actual)
Total expenses	175,118	180,084	194,071	(4,966)	(13,987)
Total revenues	-	5	13	(5)	(8)
Net cost of operations before government funding and transfers	175,118	180,079	194,058	(4,961)	(13,979)
Departmental net financial position	(7,549)	(2,950)	(5,373)	(4,599)	2,423

*Refer to the financial statements for further details.

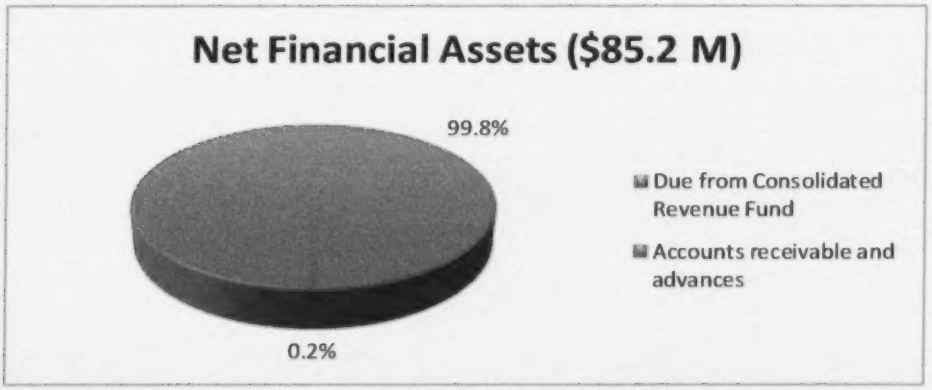


Total Expenses for WD were $180.1 million in 2012–13, a decrease of $14.0 million (seven percent). This year over year decrease is attributed to the implementation of reductions in appropriations, the transfer of operations to Shared Services Canada and the conclusion of the Canada Economic Action Plan. These reductions were partially offset by the implementation of the Community Infrastructure Improvement Fund.

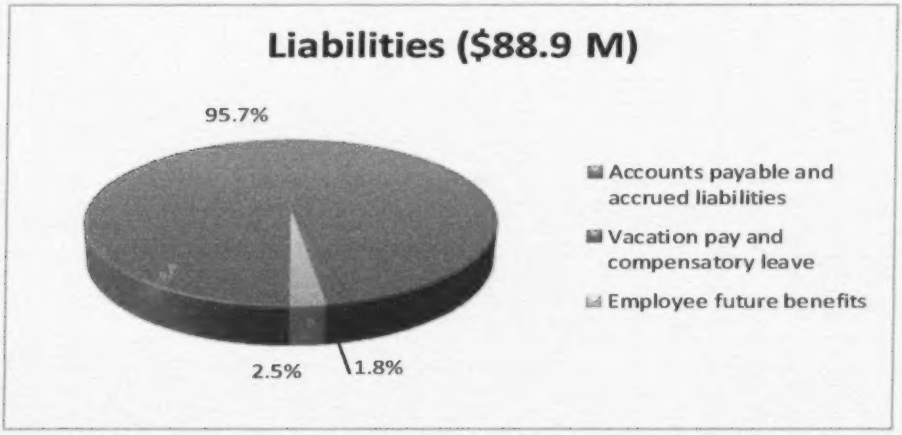
Condensed Statement of Financial Position

Western Economic Diversification Canada Condensed Statement of Financial Position (Unaudited) As at March 31, 2013 ($ thousands)			
	2012–13	2011–12	$ Change
Total net liabilities	88,911	86,918	1,993
Total net financial assets	85,178	80,346	4,832
Departmental net debt	3,733	6,572	(2,839)
Total non-financial assets	783	1,199	(416)
Departmental net financial position	(2,950)	(5,373)	2,423

Financial Highlights Graphs



Net Financial Assets equaled $85.2 million at the end of 2012–13, an increase of $4.8 million (six percent) over the previous year's total assets of $80.3 million. This increase is related to the amounts due from the Consolidated Revenue Fund, which will be available to draw upon to pay for the increased accounts payable in 2012–13. The increase in accounts payable was primarily due to the implementation of the CIIF, which was approved in Budget 2012.



Total Liabilities were $88.9 million at the end of 2012–13, an increase of $2.0 million (two percent) over the previous year's total liabilities of $86.9 million. This net increase is a result of an increase in accounts payable for the implementation of the CIIF. This increase was offset by a reduction in employee future benefits.

Financial Statements

The complete WD financial statements can be found on WD's Web site.[41]

Supplementary Information Tables

All electronic supplementary information tables listed in the *2012–13 Departmental Performance Report* can be found on WD's Web site.[42]

Details on Transfer Payment Programs

Green Procurement

Horizontal Initiatives

Internal Audits and Evaluations

Response to Parliamentary Committees and External Audits

Sources of Respendable and Non-Respendable Revenue

Up-Front Multi-Year Funding

User Fees Reporting

Tax Expenditures and Evaluations Report

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the Tax Expenditures and Evaluations[43] publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the sole responsibility of the Minister of Finance.

Section IV: Other Items of Interest

Organizational Contact Information

E-mail Address: info@wd-deo.gc.ca
Mailing Address: Suite 1500, 9700 Jasper Avenue, Edmonton, Alberta T5J 4H7
Telephone: 780-495-4164
Toll Free: 1-888-338-WEST (9378)
Teletypewriter (TTY): 1-877-303-3388
Fax: 780-495-4557

Additional Information

In 2012–13, Western Economic Diversification Canada (WD) continued to work with other federal departments to deliver the Economic Development Initiative (EDI), as part of the federal *Roadmap for Canada's Linguistic Duality 2008–13: Acting for the Future*. For more information about EDI and WD's other efforts related to the Official Languages Act, please see: Status Reports on the Implementation of Section 41 of the Official Languages Act.[44]

Endnotes

[1] Western Canadian Business Service Network, http://www.wd-deo.gc.ca/eng/99.asp.
[2] Community Futures organizations are community-based, non-profit organizations that provide SMEs in their communities with loans, technical support, training and information. They are also involved in community economic development projects. For more information, visit http://www.communityfuturescanada.ca.
[3] The Government of Canada's Policy on Management, Resources and Results Structure (MRRS) changed since the preparation of the *2012–13 Report on Plans and Priorities* with updates to the MRRS nomenclature. "Program Activity Architecture" is now "Program Alignment Architecture," "Program Activity" is "Program" and "Sub-Activity" is "sub-program."
[4] Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.
[5] WD – News Release, http://www.wd-deo.gc.ca/eng/77_14796.asp
[6] WD – Media Centre, http://www.wd-deo.gc.ca/eng/44.asp
[7] WD – News Release, http://www.wd-deo.gc.ca/eng/77_14739.asp
[8] WD – Media Centre, http://www.wd-deo.gc.ca/eng/44.asp
[9] Ibid.
[10] Ibid.
[11] WD – News Release, http://www.wd-deo.gc.ca/eng/77_13821.asp
[12] Aerospace Industries Association of Canada – News Release, http://www.aiac.ca/uploadedFiles/07.06.12%20-%20FIAS%20WD%20Funding_FINAL_EN.pdf
[13] WD – News Release, http://www.wd-deo.gc.ca/eng/77_13810.asp
[14] WD – News Release, http://www.wd-deo.gc.ca/eng/77_14471.asp
[15] WD – Media Centre, http://www.wd-deo.gc.ca/eng/44.asp
[16] Ibid.
[17] Ibid.
[18] Jobs created or maintained through lending by Community Futures and Women's Enterprise Initiative organizations.
[19] Jobs created or maintained through business services provided by Community Futures organizations and Francophone Economic Development Organizations.
[20] WD – Policy, Advocacy and Coordination, http://www.wd-deo.gc.ca/eng/13737.asp
[21] In order to align with departmental authorities by Program, as presented in Vol. II of the Public Accounts, services provided without charge amounts for employer's contribution to employee insurance plans, such as the Public Service Health Care Plan and the Public Service Dental Plan provided by the Treasury Board of Canada Secretariat, accommodations provided by Public Works and Government Services Canada, Workers' compensation provided by Human Resources and Skills Development Canada and legal services provided by the Department of Justice are not included in this figure. This information is presented in Departmental Financial Statements only.
[22] Public Accounts of Canada 2013, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html
[23] Environment Canada, http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=C2844D2D-1
[24] WD – Audit and Evaluation, http://www.wd-deo.gc.ca/eng/60.asp
[25] Ibid.
[26] WD – Sub-Program Descriptions, http://www.wd-deo.gc.ca/eng/14854.asp#a
[27] WD – Success Stories, http://www.wd-deo.gc.ca/eng/14855.asp
[28] Survey of Intellectual Property Commercialization in the Higher Education Sector, http://www.statcan.gc.ca/pub/88-222-x/88-222-x2010000-eng.htm
[29] WD – Audit and Evaluation, http://www.wd-deo.gc.ca/eng/60.asp
[30] WD – Sub-Program Descriptions, http://www.wd-deo.gc.ca/eng/14854.asp#b
[31] WD – WD Success Stories, http://www.wd-deo.gc.ca/eng/14855.asp
[32] WD – Sub-Program Descriptions, http://www.wd-deo.gc.ca/eng/14854.asp#c
[33] WD – WD Success Stories, http://www.wd-deo.gc.ca/eng/14855.asp
[34] WD – Media Centre, http://www.wd-deo.gc.ca/eng/44.asp
[35] WD – News Release, http://www.wd-deo.gc.ca/eng/77_14301.asp
[36] WD – News Release, http://www.wd-deo.gc.ca/eng/77_14272.asp

[37] Western Economic Diversification Act, http://laws-lois.justice.gc.ca/eng/acts/W-6.8/
[38] WD – Audit and Evaluation, http://www.wd-deo.gc.ca/eng/14700.asp
[39] WD – Sub-Program Descriptions, http://www.wd-deo.gc.ca/eng/14854.asp#d
[40] Western Canada Shipbuilding Summit, http://www.wd-deo.gc.ca/eng/13736.asp
[41] WD – Departmental Plans and Reports, http://www.wd.gc.ca/eng/59.asp
[42] Ibid.
[43] Department of Finance – Government of Canada Tax Expenditures, http://www.fin.gc.ca/purl/taxexp-eng.asp
[44] WD and the Official Languages Act, Section 41, http://www.wd-deo.gc.ca/eng/10885.asp